The Small Businessman and HIS BANK

U. S. DEPARTMENT OF COMMERCE

UNITED STATES DEPARTMENT OF COMMERCE
W. AVERELL HARRIMAN, Secretary

The Small Businessman

and

HIS BANK

By
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Office of Small Business

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Foreword

This booklet is designed to provide information and suggestions to small businessmen on bank loans—an important phase of their operations. It should be particularly useful to individuals who are planning to enter new businesses or have just established them.

Care has been taken to verify the contents with a number of representative bankers in order to ensure an accurate picture of bank lending as an aid to small business.

The Department of Commerce, through its Office of Small Business, expresses its appreciation to the individuals and banks that assisted by giving their advice and suggestions on the manuscript.

This publication was prepared in the Finance and Tax Division with the collaboration of J. C. Dockeray, Assistant Chief, and the general supervision of J. M. Rountree, Chief.

James L. Kelly, *Director,*
Office of Small Business.

October 1947.

Summary

When planning to start your own business, one of your first considerations should be its financial requirements and possible sources of capital. Business capital may be derived either from your own savings or in part from loans secured by a mortgage on assets or unsecured except by your own signature.

If yours is a new or recently established concern you will need to rely mainly upon your own capital contribution and on your personal reliability and business ability as bases for credit. This is because most commercial bankers are reluctant to make unsecured loans to new businesses in which a proprietor has placed little or no capital of his own. If, however, you have operated for a period of years you may cite earnings records, sales growth, and the favorable position of the industry, in addition to any collateral you may possess, as evidence of security for repayment.

In general, banks require small business applicants for loans to show evidence of:

(1) Good personal character and reliability;
(2) Sound business ability and judgment;
(3) Success in past undertakings;
(4) Some property or assets not already mortgaged and available as security:
(5) Working capital sufficient for minimum needs;
(6) Intention to use a loan productively.

If you, as an applicant, can show reasonable soundness on the above points, your bank will probably make a loan commitment. Bank lending ranges widely from about $1 for every $4 the enterpriser has invested, to as much as $2 for each $1 of proprietor's equity. In normal cases, if a projected enterprise is sound and the owner has an acceptable record, many banks will advance without security other than a personal note on either a 1 to 3 or 1 to 4 ratio to the equity capital in the business. This is provided the majority of the equity is in the form of safe current assets such as inventory and receivables. When the bank takes a lien on conservatively valued assets belonging to the borrower the ratio of loan to the equity is usually higher.

Persons, like yourself, who desire to apply for business loans should have definite ideas of how much money is required, the specific purposes of its use, and how the earning power of the business will be increased by reason of the loan. Moreover, you should present complete and intelli-

gible statements showing your existing financial condition. If the business has not had satisfactory accounting service and its records are in a neglected state, it is advisable to have an accountant prepare formal statements summarizing the past operations.

If your business is new, there is usually no need for special financial statements other than the data required by the lending bank's forms. Since new businesses obtain credit consideration mainly on the basis of soundness of the projected enterprise, reputation of the promoter, and the amount of his investment in relation to the amount of loan requested, it is wise for new enterprisers to submit full information on these points.

Whatever the character or degree of your need for credit, you as a new small businessman will benefit from acquaintance with your local banker. His institution specializes in financing plans and methods. Its officers have usually had wide experience over many years with varieties of concerns. Any beginning or experienced businessman cannot fail to benefit from the habit of regular consultation with his bank.

Contents

The Small Businessman and His Bank

Small businessmen generally are not as familiar as they should be with the opportunities for borrowing needed funds which are available to them through the business loan policies, programs, and requirements of banks in their localities. This statement is especially true of individuals just starting their own businesses. Such a situation is detrimental to the best interests of both bankers and businessmen.

Banks ordinarily are interested in making as many business loans as they safely can. This is one of their long-time functions and a potential source of their income. However, in order to make loans with a high degree of safety and protection for the depositors who supply the bulk of bank funds, bankers need clear and dependable facts concerning the businesses which ask for loans.

The proprietor of a small business with a well-organized set of books and financial statements based on a practical system of accounts will usually have little difficulty in providing his banker with concise and understandable statements of condition. Such a system of accounts is not found in many small concerns, even in those which have been operating for some time. Its absence is usually the first and basic evidence not only of a weakness in financial policy but also in over-all management skill.

Desirable Characteristics of a Credit-Worthy Business

When you start your business you should, in the interest of maximum success, formulate in your mind the indispensable steps which will lead to your eventual growth rather than to failure. When you have done this preliminary planning you will not only have improved your survival chances but also have established foundations for favorable bank consideration when a loan is needed.

There are at least three requisites for your business if it is to become, and remain, successful. First, you should analyze the market in which you plan to operate in order to assure attainment of a sales volume sufficient to produce a net return on the funds and effort to be applied. This step involves planning your operations in a field and on a basis that will permit sufficient gross margin to cover all costs, including taxes, and leave a net profit. Under present tax levels, every businessman should

inform himself regarding the extent to which taxes, both State and Federal, will consume any profit from operations. Since taxes accrue and become liabilities upon a business even before their due date, it is also important for a business to know at any particular time the types and amounts of its tax liability.

Second, your enterprise must have some basic, long-term or risk capital supplied and controlled by you as its proprietor. This is desirable so that you may have a sufficient financial stake to retain control over your business and its policy.[1]

Third, all your decisions on matters of organization and policy affecting management and all records of past operations should be kept in such form as to be presentable to financial institutions when requests for loans are submitted. Most businesses at some time in their operations need to obtain loans for long or short periods. At such times clear records of officially approved policies and of operating results are essential to favorable credit action by banks. Businesses that maintain adequate records frequently are found also to operate more effectively and therefore to need fewer loans, particularly for emergency purposes.

Typical Business Situations Requiring Credit

Many situations arise which cause individuals and concerns to need business credit. Some principal ones are: (1) Increasing working capital funds; (2) expanding or revitalizing a business already owned; (3) buying out an established concern; and (4) entry into a new business.

Examples of specific purposes for which small businesses may need loans are:

- Building up inventory
- Adding new lines
- Expanding production
- Buying an interest in another business
- Buying out a partner
- Effecting operating economies
- Financing new equipment
- Making repairs and modernization

Some of the above purposes requiring bank credit call for longer term loans than many commercial banks customarily make. For example, expanding fixed facilities or buying out an established concern necessitates a commitment running more than a year. When you as an enterpriser must borrow for such purpose to supplement risk capital, your demand is for a term loan running usually 2 to 3 years. An increasing number of banks are attempting to accommodate such longer term loans where adequate security and prompt curtailment payments can be assured.

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[1] For the benefit of individuals who are planning, or in the early stages of, small business operations, the Office of Small Business has in preparation a circular on financial considerations in establishing a new small business.

Shorter term loans ranging from 60 to 180 days and designed for operating purposes are directly in the special field of commercial banks and are desired by them. Small businessmen may depend on their bankers' interest in making such loans wherever the risk is not too great. Naturally the banker must be the judge of the degree of risk and consequent chance of repayment of the loan.

Banks' Requirements for Prospective Borrowers

Credit standards and requirements of banks vary with the type, condition, and size of borrowers. One of the principal requisites of credit to small businesses is the personal and moral character of borrowers. The character factor is given more emphasis on small business loans than on loans to large businesses. This is because the smaller enterprises are frequently weaker in liquid assets and, at the same time, more dependent upon the character and reliability of one or two key individuals.

According to published statements of bankers, their standards for business credit to smaller enterprises are generally the following:

(1) The borrower must be an excellent moral risk.

(2) There must be evidence that he has the ability to operate his business on a sound basis.

(3) The past record of the business and its prospects must indicate sufficient probable income to enable the borrower to repay the loan out of future income from or realizable assets in his business.

(4) While a normal risk may be assumed on loans of this type, necessary steps must be taken to insure the bank against losses greater than can be absorbed profitably in the usual course of business.

In making certain of the factual information on the above points, a bank will thoroughly examine you and your business statements.

First, a personal inquiry is made to reveal complete information about you as an individual. This is done through reference to your private life, mode of living, associations, and family and community interests and responsibilities, as well as your business reputation.

Second, the bank estimates your business ability and record by means of both a personal interview with the loan officer and a study of your financial and operating data submitted on bank forms. An appraisal of your past business operations will include, among other factors, analysis of the efficiency of various operations under your direction, the care with which you watched output and operating margins, and the performance of the various departments of your organizations. A further point of interest will be the extent to which you have withdrawn profits from the business for personal use, thus reducing the capital available for expansion.

If you desire to obtain a small loan of $1,000 to $5,000, for example, to be repaid in monthly or other regular installments. you will need to

demonstrate past success in realizing net profit from your business. In looking at the loan proposal, the banker will analyze it in terms of enabling your business to sell more merchandise, render more services, or otherwise increase its income. Your business ability will thus be analyzed by the banker through personal appraisal and statement analysis in the process of determining prospects for repayment of the loan.

If you are borrowing some funds to assist in starting a new business, the lending institution may rely more on your character and personal standing in your community. In addition, the economic status of the business line which you propose to enter and profit possibilities for a new enterprise will be considered in arriving at a decision on the loan application.

In thus appraising repayment prospects of your loan, the banker is vitally concerned with your success as a borrower. The bank's interest, accordingly, leads in many instances to detailed familiarity with borrowing concerns and ability to advise on their special problems. This advantage to small businesses, growing out of bank borrowing, is extremely worthwhile. It is a type of contact and benefit which is found more commonly among large businesses than among small ones. The sooner small concerns, or individuals just entering business, can establish banking relationships with their local banks regarding their financial needs and problems, so much earlier in their careers may they avoid serious errors and obtain sound and experienced advice. In making this contact the businessman should aim to deal with a bank which specializes in commercial and industrial loans.

Types of Data and Forms Required by Lenders

Banks considering applications for loans require submission of statements showing basic condition of the applying business. Information requested consists, in most instances, of a statement of assets and liabilities, at least a skeleton statement of profit and loss for the latest completed fiscal year, and certain other information obtainable by means of specific questions on a loan application form.

One of the first statements which a small business should be prepared to make up and submit is its statement of assets, liabilities, and proprietorship. This statement preferably should show the financial position of the business at the latest year end compared with the previous 12-month year end. Such a statement is presented in Form 1. (See p. 10.) It shows in compact and simple form the main items and subdivisions of a standard balance sheet. For those businessmen unfamiliar with such statements, notice should be taken of the following features:

(1) Assets are listed before liabilities and proprietorship.

(2) Current assets (those representing cash or items which normally will convert to cash in a period of 60 to 90 days) are itemized first and a total of them is entered.

(3) Fixed assets are listed by major types as shown and any reduction in valuation through depreciation should be reflected in a net figure after depreciation. In this connection, depreciation is the extent to which fixed assets have declined in value below the cost figure. Depreciation is customarily figured annually at the end of the fiscal year and is shown as a ded uc tion from the original cost.

(4) Other assets refer to various properties which differ to some extent with type of business. Slow receivables represent those accounts which have run beyond the normal period without being collected, thus losing their current character. Prepayments are assets acquired through advance payments of expenses thus representing claims upon goods or services for the future.

(5) Liabilities, like assets, are classified into current and long-term or fixed. Current liabilities consist of debts running for periods up to one year and are usually comprised of notes payable and accounts payable. They are shown both itemized and in total so that, by quick inspection and comparison with current assets, the current position or ratio of the business can be known. The standard of current position has generally been stated as $2 of current assets to each $1 of current liabilities, but it varies considerably from this figure for businesses of various types and sizes. Fixed liabilities are debts incurred and running for periods longer than 1 year.

(6) Proprietorship is the ownership by the proprietor, or enterpriser, and is customarily measured by the amount of unassigned asset values in the business after claims of creditors are satisfied. This ownership may apply to one proprietor, to two or more partners, or it may consist of capital stock shares held by numerous individuals who comprise the stockholders of a corporation.

(7) The total of all liabilities of a business plus the proprietorship represents in dollars the exact value of all assets. This is because the liability and proprietary items comprise the total property claims to total assets.

The balance sheet, when properly prepared, presents essential information to show the true financial condition at a particular date. This means that the balance sheet reflects the results of past periods of operation, but it does not show the specific gain or loss of a particular period except, perhaps, for the latest completed fiscal period. It is customary to show in each year-end balance sheet the amount of new increase or decrease in proprietary ownership resulting from operations of the last fiscal periods. This is done by listing the net income or loss as a subitem to the previous year-end proprietorship figures. (See Form 1.)

A standard form of profit and loss statement is shown in Form 2. (See p. 11.) This statement provides a summary of the operations of a business for a given period, either a fiscal year, or a fraction of a year. Principal information provided on a profit and loss statement includes the sales volume, gross and net, cost of goods sold, gross profit from sales—which comprises the excess of the sales receipts over the costs of goods sold—and the expenses incurred in operating. The balance left after deducting expenses from gross profit is the net operating profit. Additions to and deductions from net operating profit are made to reflect other income and expense. The result is the final or net income.

The profit and loss statement reflects the success of a business in terms of earning capacity. A comparative statement of profit and loss for the last 2 or 3 years is usually desired by a bank which is considering a loan to an established business. (See Form 2.) New businesses, of course, have no operating record and can submit only data on general plans and capital committed to the enterprise.

Form 3 (see p. 11) is a sample loan application form of the general type used by commercial banks in accepting requests for business loans. This blank calls for three types of information: (1) General facts about the business; (2) financial and operating data from records of the business; and (3) personal data regarding the proprietor, manager or officers who are responsible for policies and management.

Form 3 does not call for as detailed information as some banks require for loans to businesses, especially if the loan exceeds a nominal amount of about $1,000. Many small banks, however, consider and extend small loans on the basis of much less information than is called for in the sample loan application. For larger loans, banks usually require more complete financial and operating statements as illustrated in Forms 1 and 2.

Your Obligation to Your Bank

When your business needs a loan you should supply the bank with as complete information as your records will permit. This step is prerequisite to the more complete investigation to be made by the bank. The bank will survey the general condition of the business as shown by a preliminary interview with you and by your written application; it will then complete a more thorough investigation of the business if your application appears attractive. This will result in a detailed verification of the data you recorded in your loan application.

Businesses which require financial assistance through loans will do well to establish banking connections well in advance of that need. It will be to your benefit to become acquainted with the forms and procedures required by your own bank. If you do not already have a business banking connection, you should investigate the loan policies and practices of more than one bank. When you have decided which bank is best suited to your requirements, you may find it most advantageous to deal solely with it.

Each commercial bank has certain routine procedures for handling loan applications and these usually follow a standard pattern in most banks. It is important, however, that borrowers keep informed of the special loan requirements and standards of their own bankers and conform to them in submitting loan applications. One of the most commonly mentioned causes for refusal by banks of loan applications is the incompleteness and lack of clarity in presentation.

Banks desire to develop their volume of loans whenever the funds so loaned can be used for productive purposes. During this current period of postwar prosperity, bank loan publicity has included proposals for developing new or better loan processes and services, as well as other improvements, for businessmen who require funds. The individual businessman must be the judge of whether a bank loan to finance new equipment or fixtures, to renovate a store building, or to facilitate purchase of merchandise on a cash discount basis will be justified by the increased income to be expected therefrom. You may usually obtain sound advice on such subjects from an experienced local banker familiar with the business community in which you are operating or plan to operate.

Principal Types of Loans Available From Banks

Since the end of the war in 1945, the commercial banks in the United States have undertaken a broad program of making their loan services easily available to businesses which need them. The over-all promotion work incidental to this credit program has been done by the Small Business Credit Commission of the American Bankers Association. It is the aim of this group to help commercial banks to provide a complete line of major types of loans that may be needed by various classes and conditions of business.

Short-term loans.—The usual field of bank credit has been that of short-term loans running for periods up to about 1 year. Banks make these short-term loans for working capital purposes. These include funds for meeting pay rolls, for financing inventory purchases, or for acquisitions of new equipment which can be paid for within about 1 year. The banks normally exercise extreme care in granting loans on inventories in order to avoid losses either to themselves or to the borrowers through excessive inventory acquisitions in periods of high or rising prices.

The short-term lending policy of banks also is always closely dependent upon regular receipts of liquid assets by a borrower through his normal business operation. This means that a business must show that its sales of merchandise, or its collection of receivables and other productive activities resulting in its receipt of liquid assets, will put it in possession of funds sufficient to pay its loans within their maturity periods.

When banks extend short-term loans to small businesses they ordinarily require collateral of various types. The loans may be secured by real estate or other fixed assets, by materials or inventory in warehouse, by

notes endorsed by responsible persons, or by sales contracts which require cash receipts to be allocated to the servicing of specific loans. Banks also use credit agreements that limit withdrawals and salaries of proprietors in order to enforce the security behind their loans. Such requirements usually benefit the borrowing business as well as the creditor and should be carefully observed.

Term lending.—Term lending, as contrasted with short-term loans, designates the field of longer-period credit. Commercial banks have entered this field increasingly since the early 1930's. This type of credit extension traditionally embraces all loans having final maturity exceeding 1 year and ranging, in a few exceptional cases, as high as 10 years. Term lending is probably one of the most important newer credit devices introduced into commercial banking practice during the past 15 to 20 years. Term loans by banks arose mainly from the disappearance of the market for longer term securities of small businesses. Obtaining a term loan from a bank often involves tying up both the fixed assets, and, in many cases, liquid assets otherwise not pledged or later acquired. For this reason, a business needs to be in excellent financial condition in respect to liquid or working assets in order to qualify for a commercial bank loan on a term basis as long as 3 years or more.

The outstanding characteristic of such term loans is the fact that the lender places more emphasis upon the prospective and sustained earning power of the applicant and less upon any specific collateral security for the loan than is the case with other types of bank credit. Thus far, however, private term loans have been largely limited to gilt-edged investments and relatively few have been granted to smaller firms.

A type of loan which classifies as term is installment equipment financing conducted by both commercial banks and commercial finance companies. These loans are for the purpose of financing purchases of income-producing machinery and equipment and are amortized by regular installment payments, usually over a period of 24 to 36 months or, in the case of expensive machinery, 48 to 60 months. More and more commercial banks are engaging in installment financing of fixed equipment. Small businessmen should consult their own bankers when interested.

Types of short-term loans.—Among the types of short-term loans now available at many commercial banks are those secured by accounts receivable and those for which warehouse receipts are used as collateral. Each of these has its own advantages to different types of borrowers.

Accounts receivable financing, until recent years, has not been important in commercial banking. It was developed by the type of commercial financing companies known as factors, who purchase or take over receivables on a nonrecourse basis. More recently, some commercial banks have expanded their activities in the field of accounts receivable financing. These activities are usually restricted to loans "collateralized" by high-grade receivables.

Cost of this type of credit to borrowers obviously varies with the quality of accounts pledged and whether the lender has recourse to the borrower for uncollectible accounts. Financing of accounts receivable by finance companies has been provided, for the most part, to larger manufacturers and processers of goods on their customers' accounts. The smallest enterprises have not been important in the development of accounts receivable financing. However, with the increase of interest of commercial banks in developing this type of loan on a secured basis, small concerns having bankable accounts receivable should consult their bankers.

Financing by means of pledging warehousing receipts is a convenient method of obtaining working capital in certain lines of business. Wherever small concerns are dealing, or expect to deal, in commodities which can readily be warehoused for periods of 6 months to 3 years, they will find warehouse receipts a useful means of obtaining working capital. The average life of field warehousing agreements has been estimated at from a few months to a year or more. Duration of these agreements depends, obviously, upon the type of commodity, price trends, and other similar market factors.

The duration of loans made by commercial banks on the security of field warehouse receipts is definitely limited. This is because the banks in this as in other lines of credit, aim to keep their extensions maturing in relatively short periods. Since there is a certain minimum outlay required to set up a field warehousing system, usually a borrower must offer a sufficient volume of business in order to obtain commercial bank consideration. It has been found that loans of less than $10,000 to $15,000 are not generally practicable. Accordingly, there is a distinct limit on the extent of use of this type of financing by smaller concerns.

It has been estimated that about 15 percent of the insured commercial banks in the country now regularly extend credit through loans on warehouse receipts. Most of the firms making use of this type of credit have total assets ranging between $25,000 and $200,000. Thus they are small firms but not the smallest. The aggregate cost of this type of financing varies from 5 to 10 percent, annually, depending upon the market for the commodity warehoused, the prospect of price fluctuation, risk of commodity deterioration, and the credit standing of the borrower. Producers and distributors of commodities readily warehoused may rely upon this source of funds for working capital when it is needed.

A General Credit Basis for Small Business Loans

Aside from the special types of credit discussed immediately above, proprietors of commercial and industrial businesses, both new and already established, must depend upon the basic soundness of their whole business undertaking and their record of past earnings as their most important claim for credit consideration. If your business is already well established and has adequate financing of its own for its fixed or long-term capital, and in addition has shown a regular expansion in its volume of

operation and in earnings, normally you should have no great difficulty obtaining short-term bank credit for its seasonal capital needs. However, if yours is a newer concern whose working funds are not yet abundant, it will be necessary to pledge certain of the assets of the type already discussed in order to obtain short or longer-term finances.

As stated earlier, the ability of businesses to supplement financial resources depends to a considerable degree upon the extent and character of the capital invested by the proprietor. Where this basic capital is adequate at the start to provide the basic fixed assets of the business or the working capital—in a concern that does not require its own fixed assets—and where your management demonstrates its capacity in producing satisfactory earnings, you will ordinarily find it possible to obtain bank financing on some one of the methods outlined in this bulletin.

Form 1.—(Sample form of balance sheet)

BLANK WHOLESALE GROCERY CO.

COMPARATIVE BALANCE SHEET

Assets	*At close of business Dec. 31, 19—*	*19—*
Current assets:		
Cash	$XXX	$XXX
Accounts receivable	XXX	XXX
Inventory	XXX	XXX
Total current assets	XXX	XXX
Fixed assets:		
Equipment (after depreciation)	XXX	XXX
Real estate (after depreciation)	XXX	XXX
Total fixed assets	XXX	XXX
Other assets:		
Slow receivables	XXX	XXX
Prepayments	XXX	XXX
Total assets	XXX	XXX
Liabilities and proprietorship		
Current liabilities:		
Notes payable	XXX	XXX
Accounts payable	XXX	XXX
Total current liabilities	XXX	XXX
Mortgage payable	XXX	XXX
Proprietorship:		
Proprietor's capital [1]	XXX	XXX
Profit for year	XXX	XXX
Total liabilities and capital	XXX	XXX

[1] This item shows the equity claim of the proprietor of a single enterprise over assets after allowance for creditors' claims. In an incorporated business the proprietary claim is shown in the form of issued common and/or preferred stock and surplus.

Form 2.—(Sample form of profit and loss statement)

BLANK WHOLESALE GROCERY CO.

COMPARATIVE PROFIT AND LOSS STATEMENT FOR YEARS ENDING DEC. 31, 19— and 19—

		19—		19—
Gross sales		$XXX	......	$XXX
Less sales returns and allowances		XXX	......	XXX
Net sales		XXX	......	XXX
Opening inventory	$XXX	......	$XXX	......
Plus purchases	XXX	......	XXX	......
Total goods to be accounted for	XXX	......	XXX	......
Less closing inventory	XXX	......	XXX	......
Cost of goods sold		XXX	......	XXX
Gross operating profit		XXX	......	XXX
Expenses:				
Selling	XXX	......	XXX	......
Admin. and general	XXX	......	XXX	......
Total expenses	......	XXX	......	XXX
Operating profit	......	XXX	......	XXX
Add other income:				
Interest earned	XXX	......	XXX	......
Recoveries on bad accounts	XXX	......	XXX	......
Rentals	XXX	......	XXX	......
Miscellaneous	XXX	XXX	XXX	XXX
Deduct other expenses:				
Interest cost	XXX	......	XXX	......
Sales discount	XXX	XXX	XXX	XXX
Net income	......	XXX	......	XXX

Form 3

THE BLANK COMMERCIAL BANK

Loan application form Loan Department

City.................... State.................... Date................

The undersigned hereby submit application and financial statement for a loan of .... dollars ($..........) repayable in .. days, or in .. monthly instalments beginning 1 month from date of this loan, or on the following date .... for the purpose of: ....

....

BUSINESS RECORD

Name of business...................... Kind of business ....
Address.. ☐ Corporation
Year established .... ☐ Partnership
Annual rent .... Lease expires .... ☐ Proprietorship
Name of bank used by business ....

PRINCIPALS

Name ....
Home address ....
Married ☐ Single ☐ Separated ☐
Age ....
Previous home address ....
Pers. ckg. acct. ....
Savings acct. ....
Membership in what business organizations ....
Am't. of life ins. ....
Present beneficiary ....

Name ....
Home address ....
Married ☐ Single ☐ Separated ☐
Age ....
Previous home address ....
Pers. ckg. acct. ....
Savings acct. ....
Membership in what business organizations ....
Am't. of life ins. ....
Present beneficiary ....

FINANCIAL STATEMENT AS OF ....

Assets		*Liabilities and net worth*	
Cash in hand...............	$........	Accounts payable...........	$........
Cash in bank...............	....	Notes payable to banks......	....
Accounts receivable........	....	Notes payable to others	....
Notes receivable...........	....	Chattel mortgages..........	....
Merchandise	....	Conditional sales contracts...	....
Total current assets...	....	Unpaid taxes..............	....
Land and buildings.........	....	Mortgage realty...........	....
Machinery and equipment....	....	Other liabilities..........	....
Autos and trucks..........	....	Total liabilities ...	....
Total fixed assets......	....	Net worth:	
Cash surrender value of life insurance..............	....	Valuation reserves	....
Investments...............	....	Special reserves........	....
Other assets..............	....	Capitol stock (or proprietorship).........	....
Total other assets.....	....	Surplus...............	....
		Total net worth......	....
Total assets..............	....	Total liabilities and net worth.	....

OPERATING DATA FOR PERIOD ENDING

Net sales (year ending		$.......	Name of partners or officers	Percentage ownership
Cost of goods sold..................		....	....	....
Gross profit........................		....	....	....
Operating expenses.................	$.......		....	....
Overhead expenses..................	....		....	....
Salaries:				
Proprietors...................	....			
Officers......................	....			
Net operating profit..........		....		

Are any assets shown on your statement pledged or assigned ....
Yes or No

If so, give details ....

Are you contingently liable as endorser or guarantor ....
Yes or No

If so, give details ....

How much insurance do you carry on inventory, machinery and equipment, trucks:

Fire insurance $.......... Theft $.......... Property damage $..........

Public liability $...........

To whom owed	Address	Present indebtedness		Bal. due	Amt. due each month
		Acct. No.	Orig. amt.		

Our accountant is: Name....................

Address.. Phone No. ....

Signed this .... day of ...., 19.....

....
(Name of applicant)

By.........................
(Title)

By.........................
(Title)

Department of Commerce Field Service

(December 1947)

Albuquerque, N. Mex., 203 W. Gold Ave.

Atlanta 1, Ga., 50 Whitehall St. SW.

Baltimore 2, Md., 103 S. Gay St.

Boston 9, Mass., 2 India St.

Buffalo 3, N. Y., 117 Ellicott St.

Butte, Mont., 14 W. Granite St.

Charleston 3, S. C., 18 Broad St.

Charleston, W. Va., 103 U. S. Court House.

Charlotte 2, N. C., 112½ E. Fourth St.

Cheyenne, Wyo., Twenty-first and Carey Ave.

Chicago 4, Ill., 332 S. Michigan Ave.

Cincinnati 2, Ohio, Fourth and Race Sts.

Cleveland 14, Ohio, Euclid Ave. at E. Ninth St.

Dallas 2, Tex., 1114 Commerce St.

Denver 2, Colo., 828 Seventeenth St.

Detroit 26, Mich., 230 W. Fort St.

El Paso 7, Tex., 12 Chamber of Commerce Bldg.

Fargo, N. Dak., 621 First Ave. N.

Hartford 1, Conn., 135 High St.

Houston 14, Tex., Fannin at Franklin St.

Jacksonville 1, Fla., 311 W. Monroe St.

Juneau, Alaska, Fourth and Seward Sts.

Kansas City 6, Mo., 911 Walnut St.

Los Angeles 12, Calif., 312 N. Spring St.

Louisville 1, Ky., Sixth and Broadway.

Memphis 3, Tenn., Madison at Front St.

Miami 32, Fla., 36 NE. First St.

Milwaukee 1, Wis., 517 E. Wisconsin Ave.

Minneapolis 1, Minn., Second Ave. S. and Third St.

Mobile, Ala., 308 Federal Bldg.

New Orleans 12, La., 333 St. Charles Ave.

New York 1, N. Y., 350 Fifth Ave.

Oklahoma City 2, Okla., 102 NW. Third

Omaha 2, Nebr., 405 S. Sixteenth St.

Philadelphia 2, Pa., 42 S. Fifteenth St.

Phoenix 8, Ariz., 234 N. Central Ave.

Pittsburgh 19, Pa., Seventh Ave. and Grant St.

Portland 4, Oreg., 520 SW. Morrison St.

Providence 3, R. I., 24 Weybossett St.

Reno, Nev., 50 Sierra St.

Richmond 19, Va., 801 E. Broad St.

St. Louis 1, Mo., 1114 Market St.

Salt Lake City 1, Utah, 508 Post Office Bldg.

San Francisco 11, Calif., Washington and Battery Sts.

Savannah, Ga., 218 U. S. Court House and Post Office Bldg.

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Typical of the listed material that will interest you are marketing data, articles on specific industries and business, foreign markets, establishing and operating numerous kinds of small business, and foreign industrial wartime secrets.

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